

**MERCER COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – May 22, 2017
Mercer County
McDade Administration Building
640 South Broad Street
Trenton, NJ 08611
10:30 AM**

Meeting was called to order by Chairman Mair. Ms. Dodd read the Open Public Meetings notice into record.

ROLL CALL OF COMMISSIONERS:

Andrew A. Mair	Present
K. Megan Clark Hughes	Present
Raissa Walker	Absent

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Joseph Hrubash
Claims Service	Inservco Insurance Services, Inc. Nancy Fowlkes Keith Platt Amy Zeiders
Managed Care Services	Conner Strong & Buckelew Danielle Batchelor
CEL Underwriting Manager	First MCO Kelly Royce
Risk Management Consultant	Borden Perlman Salisbury & Kelly Matt Moraski
Attorney	Arthur R. Sypek, Jr., Esq. Paul Adezio, Esq.
Treasurer	
Safety Director	J.A. Montgomery Risk Control Glenn Prince

ALSO PRESENT:

Ana-Eliza T. Bauersachs, Esq., Capehart Scatchard, PA
Susan Schaefer, Susan Schaefer, LLC
Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: OPEN & CLOSED MINUTES OF APRIL 24, 2017

Chairman Mair advised he had a few comments. First Chairman Mair reported with regard to the prisoners that were injured on the van they were upgrading specifications to allow for fiberglass or stainless inserts in the back of the van to prevent injuries and have reminded the Warden of his existing SOP that all of the occupants of the van had to be belted at all times. Chairman Mair indicated there would be disciplinary action if the corrections officers failed to do so.

Chairman Mair reported in reviewing the reports from Inservco there was a disturbing matter involving pot holes that occurred. Chairman Mair advised he did speak with the Director of Public Works and asked if there was technology to facilitate the rapid repair of the pot holes.

MOTION TO APPROVE THE OPEN & CLOSED MINUTES OF APRIL 24, 2017

Moved:	Chairman Mair
Second:	Commissioner Hughes
Vote:	2 Yes, 0 Nays

CORRESPONDENCE: NONE

SAFETY COMMITTEE: Mr. Prince reported the Safety & Accident Review Committee last met on May 17th and sixteen incidents were discussed and there were no recommendations at this time. Mr. Prince noted the next meeting was scheduled for June 21, 2017. Mr. Prince advised he would cover some other information he had discussed with he colleague, Mr. Sloane, regarding seat belts later during the meeting.

CLAIMS COMMITTEE: Ms. Batchelor reported the Claims Committee met prior to the Commission meeting and reviewed six PARS/SARS for closed session. Ms. Batchelor advised that concluded her report unless there were any questions.

EXECUTIVE DIRECTOR REPORT: Executive Director reported there were no action items during his report today.

CERTIFICATE OF INSURANCE ISSUANCE REPORT: Executive Director reported there were no certificate requests for the month of April.

NJ EXCESS COUNTIES INSURANCE FUND (CELJIF): Executive Director reported the CELJIF last met on April 27, 2017 and a written summary report was included in the agenda. Executive Director advised the Board of Fund Commissioners adopted a resolution authorizing the appointment of Citta, Holzapfel & Zabarsky, PA for Litigation Management Services and also awarded a contract to Bowman & Company, LLP to conduct the December 31, 2016 audit. Executive Director said the Underwriting Manager reported National Casualty would no longer

underwrite public entity business at the end of the policy term so the excess liability coverage would be re-written at renewal time. Executive Director advised the NJCE Coverage Committee held their first meeting on May 1st and discussed a variety of topics. Executive Director reported an RFP was issued for the position of Claims Administration Services and the responses were due on May 31, 2017. Executive Director noted the next CEL meeting was scheduled for June 22, 2017.

Chairman Mair reported an approved attorney list was created recently, however most of the legal work was done internally or through the office of Capehart Scatchard. Chairman Mair advised when there was any type of conflict the attorney list would be used.

MCIFC PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director advised the March Financial Fast Track was included in the agenda. The Commission had a surplus of \$5,486,424 as of March 31, 2017. Executive Director also referred to line 10 of the report, "Investment in Joint Venture" and indicated \$690,655 of the surplus was the MCIFC's share of the CELJIF equity. Executive Director noted the cash balance was \$686,828.

NJ CEL PROPERTY AND CASUALTY FINANCIAL FAST TRACK: Executive Director reported the March Financial Fast Track was included in the agenda. As of March 31, 2017 the Fund had a surplus of \$7,466,329 and the cash balance was \$17,268,676. Executive Director asked if anyone had any questions regarding the Financial Fast Tracks.

CLAIMS TRACKING REPORTS: Executive Director advised the Claims Tracking Reports for the month of April was included in the agenda. Executive Director reported he reviewed the Claim Activity Report and did not see any anomalies. Chairman Mair noted he observed the amounts varied for the general liability and auto liability claims. Executive Director advised he would review the amounts and then respond to Chairman Mair. Executive Director reviewed the Claims Management Report Expected Loss Ratio Analysis report and advised this report compared the actuary's projections of the loss funds versus the actual figures. Executive Director reviewed the fund years and noted the actual amount of claims for all of the years were lower than the actuary projected resulting in a surplus. Executive Director pointed out that the figures did not include any IBNR.

MERCER COUNTY IMPROVEMENT AUTHORITY MEMBERSHIP: Executive Director reported the Improvement Authority's three year membership in the Commission would expire as of June 30, 2017. Executive Director advised the Improvement Authority agreed to renew its membership in the Commission through December 31, 2019. This date now coincided with the County's renewal date. Executive Director reported his office had already received copies of the executed renewal documents from the Improvement Authority.

2016 AUDITOR PROPOSAL: Executive Director reported Bowman & Company, LLP was in the process of preparing a renewal proposal for their 2016 audit services.

POSSIBLE USE OF DRONES & ENVIRONMENTAL HEALTH: Executive Director advised the agenda included a list provided by Chairman Mair of Possible uses of Drones. Chairman Mair advised after talking with his Operating Department the application for drones was vastly greater than he anticipated including the delivery of medications to key persons in the event of mass casualties. Chairman Mair indicated this was an ongoing discussion at the County. Chairman Mair advised in the meantime they do ban all forms of remote control aircraft from their Parks.

Executive Director advised that concluded his report unless anyone had any questions.

Executive Director's Report Made Part of Minutes.

TREASURER REPORT: Chairman Mair advised the Treasurer was not present. Chairman Mair advised the May Bill List, Resolution 26-17, was included in the agenda.

MOTION TO APPROVE RESOLUTION 26-17, MAY BILL LIST IN THE AMOUNT OF \$46,563.30

Moved:	Chairman Mair
Second:	Commissioner Hughes
Vote:	2 Ayes, 0 Nays

Executive Director advised the monthly Treasurer Reports were included in the agenda.

ATTORNEY: Mr. Sypek advised he did not have anything to report.

CLAIMS SERVICE: Executive Director advised Resolution 27-17, Disclosure of Liability Claims Check Register, was included in the agenda along with a copy of the check register for the period of April 1, 2017 to April 30, 2017.

MOTION TO APPROVE RESOLUTION 27-17 AUTHORIZING DISCLOSURE OF LIABILITY CLAIMS CHECK REGISTER

Moved:	Chairman Mair
Second:	Commissioner Hughes
Vote:	2 Ayes, 0 Nays

MANAGED CARE: Ms. Royce reported for the month of April, provider bills were received in the amount of \$22,563 and First MCO repriced the bills to \$16,627 for a total savings of \$5,936 or a 26%. Ms. Royce advised the savings was lower this month and conducted a research to determine why. Ms. Royce reported there were three areas that affected the savings. First the PPO penetration was down slightly, not meaning the bills were not directed to the network, however there were a few bills from anesthesiologists and ear physicians where it was difficult to obtain contracts so there was a minimal savings. Ms. Royce noted there was also an appeal so an adjustment of \$2,000 was done. Lastly Ms. Royce advised Robert Wood Johnson continues to bill for the amount of payment they receive and does not bill for the actual charges so we are not seeing the savings. Ms. Royce asked if anyone had any questions and concluded her report.

CEL SAFETY DIRECTOR: Mr. Prince reviewed the May – June Risk Control Activity Report which was included in the agenda. Mr. Prince advised his associate; Mr. Sloane was coordinating with the Prosecutor Office, Sheriff Department and Department of Correction with reference to the items relating to seatbelts while transporting prisoners and inmates. Mr. Prince advised once the meetings took place he would contact Chairman Mair to brief him on exactly what the plans will be going forward. Mr. Prince also advised he would be discussing and accident investigation report

that was conducted for one of the employees. Mr. Prince advised that concluded his report unless there were any questions.

RISK MANAGER CONSULTANT: Mr. Moraski advised his office received the quote for the primary underground storage tank coverage that does not have any mitigation or current site work. Mr. Moraski advised Mr. Borden would review the quote and discuss further with Conner Strong & Buckelew. Chairman Mair thanked Mr. Moraski and the agency for all of the diligence and time put into this effort. Ms. Hughes also agreed Mr. Moraski was very helpful with the tank project.

Correspondence Made Part of Minutes.

OLD BUSINESS: None

NEW BUSINESS: None

PUBLIC COMMENT:

MOTION TO OPEN THE MEETING TO THE PUBLIC

Moved:	Chairman Mair
Second:	Commissioner Hughes
Vote:	2 Ayes, 0 Nays

Seeing no members of the public wishing to speak Chairman Mair asked for a motion to close the public comment portion of the meeting.

MOTION TO CLOSE MEETING TO THE PUBLIC

Moved:	Chairman Mair
Second:	Commissioner Hughes
Vote:	2 Ayes, 0 Nays

CLOSED SESSION: Chairman Mair read and requested a motion to approve Resolution 28-17 authorizing a Closed Session to discuss PARS.

MOTION TO APPROVE RESOLUTION 28-17 FOR EXECUTIVE SESSION

Moved:	Chairman Mair
Second:	Commissioner Hughes
Vote:	2 Ayes, 0 Nays

MOTION TO RETURN TO OPEN SESSION

Moved:	Chairman Mair
Second:	Commissioner Hughes
Vote:	2 Ayes, 0 Nays

**MOTION TO AUTHORIZE PAYMENT AUTHORITY/SETTLEMENT
AUTHORITY REQUESTS DISCUSSED IN CLOSED SESSION**

Moved: Chairman Mair
Second: Commissioner Hughes
Vote: 2 Ayes, 0 Nays

MOTION TO ADJOURN:

Moved: Chairman Mair
Second: Commissioner Hughes
Vote: 2 Ayes, 0 Nays

MEETING ADJOURNED: 10:55 AM

Minutes prepared by:
Cathy Dodd, Assisting Secretary